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STATE PLEASE PASS NSC and OFAC
DEPARTMENT OF HOMELAND SECURITY CENTER WASHINGTON DC
STATE FOR EB/ESC/TFS (KATHERINE LEAHY), EB/ESC/TFS (LEANNE CANNON,
S/CT (PATTY HILL), S/CT FINANCE GALER AND NOVIS

E.O. 12958: N/A

TAGS: [ETTC](#) [KTFN](#) [EFIN](#) [PTER](#) [LE](#) [PREL](#) [TW](#)

SUBJECT: TERRORIST FINANCE: USG CONCERN OVER ILLICIT CASH COURIERS

REF: SECSTATE 16120

¶1. (SBU) SUMMARY. Per reftel, AITOFF recently shared U.S. concern over illicit cash couriers with Taiwan officials. Taiwan officials responded positively, described current compliance with recommendations of the Financial Action Task Force (FATF), and indicated they will enhance compliance efforts in the future. These officials asked if the conventions cited in reftel could be grounds for the United States to share information with Taiwan regarding a recent money laundering case. Action request para 10. END SUMMARY.

Compliance

¶2. (U) On February 12, AITOFF demarched Taiwan Ministry of Justice (MOJ) officials on U.S. concern over illicit cash couriers (reftel). According to MOJ officials, although Taiwan has been barred from Financial Anti-Terror Task Force (FATF) training, it has made great efforts to comply with FATF standards and guidance for monitoring cross-border transportation of illicit currency and other bearer-negotiable instruments.

¶3. (U) Taiwan requires both inbound and outbound passengers to declare local and foreign currencies as well as gold. The currencies and gold are subject to separate limits as follow:
--60,000 NT Dollar,
--20,000 RMB,
--10,000 US Dollar equivalent in USD and other foreign currencies,
--US\$20,000 gold.

¶4. (U) Currencies exceeding the limits without declaration will be confiscated. False declarations can also lead to confiscation. For gold exceeding the limit, passengers are required to obtain prior import/export permit in addition to the declaration, and failure to comply can lead to confiscation and fines.

¶5. (U) Any currency declaration for an amount exceeding NT\$1.5 million (US\$45,000) is referred to the MOJ Money Laundering Prevention Center (MLPC) for investigation of whether there is any connection to money laundering and other illegal activities.

Cooperation with United States

¶6. (U) In July 2005, Taiwan joined the Container Security Initiative (CSI) program which contributed to seizure in August 2005 of US\$2 million in counterfeit US\$ notes in a container in transit from the PRC to the United States. With assistance from the U.S. Secret Service over the past two years, Taiwan has conducted

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numerous counterfeit US\$ note identification training programs for banking regulators, officers and law enforcement officials.

Additional Efforts

17. (U) MOJ officials told AITOFF that Taiwan will continue to improve its compliance with FATF recommendations. The MOJ will amend laws to restrict carrying bank checks and traveler checks across the border. MOJ officials will continue their training efforts and welcome any U.S. training that can fill the gap left by Taiwan's exclusion from FATF training.

Information Sharing

18. (U) The MOJ officials said Taiwan will continue to cooperate with the United States in information sharing under the Mutual Legal Assistance Agreement (MLAA).

19. (SBU) The MOJ officials also asked if the UN International Convention for the Suppression of Terrorism, Article 18, 2(b) (cited reftel) which calls for information sharing on cross-border cash couriers and related FATF recommendations could be grounds for the United States to share information related to the undeclared US\$100,000 that U.S. Customs officials seized on February 3 when China Rebar Pacific Group Chairman Wang You-theng attempted to re-enter the United States. Wang has been indicted in Taiwan for embezzlement of huge sums (US\$ hundreds of millions) from publicly listed companies and MOJ officials suspect that the US\$100,000 was part of the embezzled money. They believe that some of the documents surrendered by Wang to U.S. Customs related to his embezzlement and money laundering operations in Taiwan and could aid in ongoing investigations here.

110. (SBU) AIT requests advice from EB/ESC/TFSS and S/CT on whether the FATF recommendation for enhancing and sustaining systemic intelligence sharing could be another basis for U.S. agencies to share information, including documents seized, on this high-profile embezzlement/money laundering case, and, if so, could the request be made through the Asia Pacific Group on Money Laundering, where Taiwan serves on the steering committee?

YOUNG